

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

ARTESIAN WATER COMPANY, INC.

CIVIL ACTION

v.

CHESTER WATER AUTHORITY

No. 10-7453

ORDER

FILED

SEP 30 2014

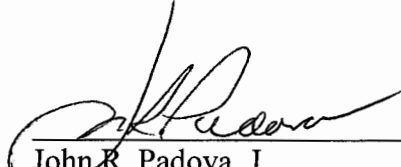
MICHAEL E. KUNZ, Clerk
By _____ Dep. Clerk

AND NOW, this 30th day of September, 2014, upon consideration of Plaintiff's Objections to the Report and Recommendation of the Special Master (Docket No. 107), Defendant's "Exceptions to, and Motion to Adopt, the Net Conclusions of the Report and Recommendation of Special Master" (Docket No. 108), and all documents filed and/or submitted to the court in connection therewith, **IT IS HEREBY ORDERED AS FOLLOWS:**

1. Plaintiff's objection to the Special Master's finding that the Addendum is a valid and enforceable contract is **OVERRULED**;
2. Plaintiff's objection to the Special Master's determination that it is not entitled to damages as a result of the manner in which Defendant implemented its 2009 and 2010 rate increases is **OVERRULED**;
3. Plaintiff's objection to the Special Master's recommendation that it be required to pay damages to Defendant for failing to pay rates in excess of Defendant's 2007 rates for the water it purchased from July 1, 2010 to the present is **OVERRULED**;
4. Plaintiff's objection to the Special Master's recommendation that it be required to pay late fees on the amounts it wrongly failed to pay Defendant beginning on July 1, 2010 is **SUSTAINED**;
5. Defendant's exception to the Special Master's determination that its Board had the responsibility, in accordance with water industry practice and standards, to review its

- projections annually to incorporate changed conditions is **OVERRULED**;
6. Defendant's exception to the Special Master's recommendation that we deny CWA's Motion for Sanctions is **OVERRULED**;
 7. Defendant's exception to the Special Master's conclusions that the 11% ROE used by Gannett Fleming to prepare CWA's rate studies was excessive is **SUSTAINED**.
 8. The Report and Recommendation is **APPROVED** and **ADOPTED** as modified by paragraphs 1-7 above and consistent with the accompanying Memorandum.
 9. Defendant shall file documentation no later than October 14, 2014 supporting the total amount of its damages in connection with Plaintiff's failure to pay for water it purchased beginning on July 1, 2010 at the rate then charged by Defendant.

BY THE COURT:



John R. Padova, J.